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Aspects that Influence Students Interest to Become Entrepreneurs (Case Study at Binus University)

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ABSTRACT

The unemployment in Indonesia in recent years is a very important issue. According to the national labor force survey data for 2009, 22.2% of Indonesian who entered the working-age was unemployed. The development of entrepreneurship has significant ties to the prosperity of a country. Although everyone can become an entrepreneur, not everyone chooses to become an entrepreneur. There are various aspects that affect a person's interest to become an entrepreneur. This research will study the influence of aspects of personality, motivation, education and family that affect the interest to become an entrepreneur. Respondents that were studied were 369 students at the Binus University of all majors. Data will be tested with correlation analysis, regression, and then with path analysis. The results showed that the direct contribution to interests to become entrepreneur from personality aspect is 3.49%, motivation aspect 12.53%, education aspect 1.44% and family aspect 3.72%. While simultaneously, personality, motivation, education and family contributes to students interest to become an entrepreneur at 48.1%..

Keywords: *entrepreneur, personality, motivation, education, family*

1. INTRODUCTION

According to the national survey in 2009 released by the National Development Planning Body (Bappenas), 4.1 million out of 21.2 million Indonesian who entered the working age or about 22.2% are unemployed. The open unemployment rate was largely dominated by a diploma and university graduates with over 2 million people. They are often referred to as "academic unemployment."

The development of entrepreneurs has significant ties to the country's prosperity. According to Mc Clelland, a country can progress more rapidly if it has at least 2% of entrepreneur from its total population. Indonesia, which is a country with huge population and vast territory, has only about 0.18% entrepreneur from its total population. Entrepreneurs are much needed in producing goods and services for high economic growth and to sustain a developing country. The presence of many entrepreneurs also can expand employment opportunities, helping to reduce unemployment.

However, even though everyone can become an entrepreneur, not everyone chooses to become an entrepreneur. There are various aspects that affect a person's interest to become an entrepreneur. In this study, researchers will examine the aspects that affect the interests of students to become an entrepreneur. Especially research is conducted on examining how much contribution from personality, motivation, education and family Individuallt or aspect gives for students of Binus University interest to become an entrepreneur

2. METHODS

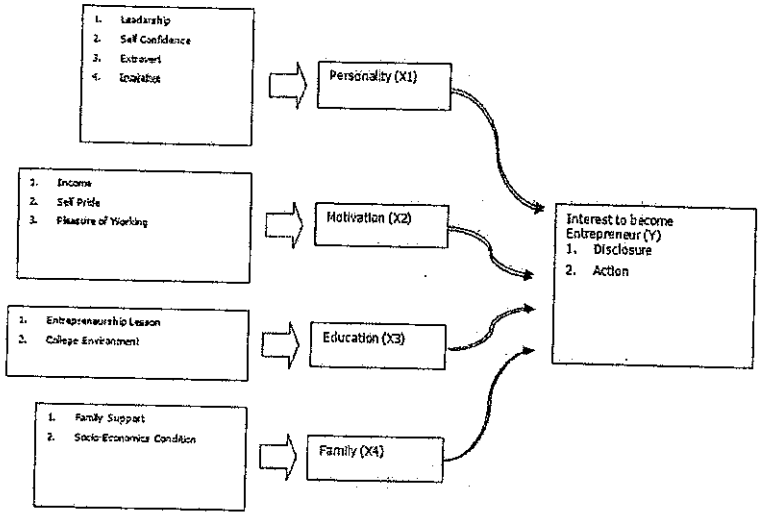


Figure 1: Research Framework

2.1 Research Design

In this study, the type of research is Associative. According to Nazir [1], Associative Research is the method to find correlations or causal relationships (cause and effect relationship). This research is a quantitative and applied research (practical research). Applied research is a research whose results can be directly used for a particular purpose (practical). This research is of statistical inference, which is a statistical measurement used to measure the parameters of the population, or test the size of population through sample data. Statistical inference aims is to provide basic forecasting, and estimates that are used to turn information into knowledge. Horizon of time is using a cross sectional study. Is a cross sectional study conducted within a certain time, which is when the respondents are on the seventh semester student at Binus University.

2.2 Operational Definition

Table 1: Operational Definition of Variables

VARIABLE	INDICATOR	Measurement	SCALE
Personality (X1) Refers to: Hendro & Chandra W.W (2006), MC Clelland (1995), Riyanti (2003), Zimmerer (2001), Dalimunthe (2003), Lambing & Charles (1999), Suryaman (2006) Drucker (1985) dan Helmi & Rista (2006)	• Leadership • Self Confidence • Extrovert • Inovative	Likert Scale	Ordinal-Interval
Motivation (X2) Refers to: Lambing & Charles (1999), Mc Clelland (1995), Riyanti (2003), Zimmerer (2001), Windardi (2003), Dalimunthe (2003), Drucker (1985), Suryaman (2006) dan Hendro & Chandra W.W (2006)	• Income • Self Pride • Pleasure of Working	Likert Scale	Ordinal-Interval
Education (X3) Refers to: Hendro & Chandra W.W (2006), Mc Clelland (1995), Riyanti (2003), Helmi & Rista (2006), Suryaman (2006), dan Zimmerer (2001)	• Entrepreneurship Lesson • College Environment	Likert Scale	Ordinal-Interval
Family (X4) Refers to: Hendro & Chandra W.W (2006), Mc Clelland (1995), Riyanti (2003), Helmi & Rista (2006), Matondang (2006), dan Suryaman (2006)	• Family Support • Socio-Economics Condition	Likert Scale	Ordinal-Interval
Interest to becom *Entrepreneur* (Y) Refers to: Super & Crites on Suryaman(2006)	• Disclosure • Action	Likert Scale	Ordinal-Interval

2.3 Data Collection

The instrument used in this research is of a questionnaire method. Questionnaire is a way to get data by providing a list of questions which then will be filled by the respondent or the object of research to obtain data.

2.3.1 *Population and Sampling*

The population in this research is all students of seventh semester at the Binus University. 2010/2011 academic year. They are taken for case study because it is assumed in general that these students have almost finished their study at the college, and soon will begin to enter working labour. So they are considered most relevant for use as a respondent. The studied population totaled 4733 students, consists of students of twenty-one majors listed in Binus University in 2007.
In this study, samples were withdrawn by using Proportionate Stratified Random Sampling. According to Riduwan & Kuncoro [2], when the quantity of the population is already known, then the sample size that can be determined by Taro Yamane formula, as follow:

$$n = \frac{N}{N(d)^2 + 1}$$

In this paper, the accuracy rate used is 95% or the percentage of acceptable error is 5%. Thus the number of samples that need to be taken are:

$$n = \frac{4733}{4733\,(0.05)^2 + 1}$$

= 368,8 persons (rounded) = 369 persons

2.3.2 Analysis Method

This research is using questionnaire as instrument. First, all data will be tested for validity and realibility. After having a valid and reliable data, it will be tested by linearity test. Because the data is using the Likert scale the data are still ordinal scale. Therefore, in accordance with the terms of parametric statistical assumptions, data must be transformed to make an interval scale. After been transformated, then the data will be tested by correlation, regression, and then with path analysis.
Normality test is not necessary because according to Joseph F, et.al [3], if the samples used are large enough (samples > 200), then the test for normality can be ignored. In practice, the research data processing is done through the help of a computer program, the SPSS (Statistical Product and Service Solution) version 16.

3. RESULTS AND DISCUSSIONS

3.1 Path Analysis Results

Hypothesis: Personality, motivation, family and education simultaneously contribute significantly to student of Binus University interest to become entrepreneurs.
Structure: $Y = \rho_{YX1} X_1 + \rho_{YX2} X_2 + \rho_{YX3} X_3 + \rho_{YX4} X_4 + \rho_{Y} \varepsilon$

Table 2: Statistical Analysis Results

		Personality	Motivation	Education	Family	Entrepreneur_Interest
Personality	Pearson Correlation	1	.655**	.327**	.593**	.572**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	369	369	369	369	369
Motivation	Pearson Correlation	.655**	1	.270**	.652**	.635**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	369	369	369	369	369
Education	Pearson Correlation	.327**	.270**	1	.279**	.330**
	Sig. (2-tailed)	.000	.000		.000	.000

	N	369	369	369	369	369
Family	Pearson Correlation	.593**	.652**	.279**	1	.568**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	369	369	369	369	369
Entrepreneur_Interest	Pearson Correlation	.572**	.635**	.330**	.568**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	369	369	369	369	369

**. Correlation is significant at the 0.01 level (2-tailed).

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.801	4	2.950	84.225	.000[a]
	Residual	12.751	364	.035		
	Total	24.552	368			

a. Predictors: (Constant), Family, Education, Personality, Motivation

b. Dependent Variable: Entrepreneur_Interest

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.342	.107		3.207	.001
	Personality	.171	.049	.187	3.517	.000
	Motivation	.291	.046	.354	6.377	.000
	Education	.127	.042	.120	2.979	.003
	Family	.167	.045	.193	3.694	.000

a. Dependent Variable: Entrepreneur_Interest

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.693[a]	.481	.475	.18716	.481	84.225	4	364	.000

a. Predictors: (Constant), Family, Education, Personality, Motivation

b. Dependent Variable: Entrepreneur_Interest

3.2 Calculating the path coefficients simultaneously

Hypothesis test is designated by ANOVA table. The hypothesis was formulated as follows:
Ho: Personality, motivation, family and education simultaneously does not contribute significantly to student of Binus University interest to become entrepreneurs.
Ha: Personality, motivation, family and education simultaneously contribute significantly to student of Binus University interest to become entrepreneurs.

Rule of significance testing:
If Sig. or probability> 0.05, then Ho is accepted and Ha is rejected, meaning there is no significant relationship. Conversely,
If Sig. or a probability of <0.05, then Ha is rejected and Ho is rejected, meaning that there is a significant relationship.
Table ANOVA showed that the value of Sig. is 0.000 or less than the probability value 0.05 (sig 0.000 <0050), then Ho is rejected and Ha accepted. This means that the variables of Personality, motivation, family and education simultaneously contribute significantly to student of Binus University interest to become entrepreneurs.

3.3 *Counting on an individual basis*

3.3.1. Personality contribute significantly to the Entrepreneur Interests

Individual testing is shown by table coefficients. Research hypothesis to be tested is formulated as follows:
Ho: Personality does not contribute significantly to students of Binus University interest to become entrepreneurs.
Ha: Personality contribute significantly to students of Binus University interest to become entrepreneurs.
It appears that the column Sig (significant) in Table coefficients are: sig. 0,000. Then the value of sig. 0.000 smaller than the probability value 0.05 (0.000 <0.05), then Ho is rejected and Ha accepted, meaning that the path coefficient analysis was significant. So, personality contribute significantly to students of Binus University interest to become entrepreneurs.

3.3.2. Motivation contribute significantly to the Entrepreneur Interests

Individual testing is shown by table coefficients. Research hypothesis to be tested is formulated as follows:
Ho: Motivation does not contribute significantly to students of Binus University interest to become entrepreneurs.
Ha: Motivation contribute significantly to students of Binus University interest to become entrepreneurs.
It appears that the column Sig (significant) in Table coefficients are: sig. 0,000. Then the value of sig. 0.000 smaller than the probability value 0.05 (0.000 <0.05), then Ho is rejected and Ha accepted, meaning that the path coefficient analysis was significant. So, motivation contribute significantly to students of Binus University interest to become entrepreneurs.

3.3.3. Education contribute significantly to the Entrepreneur Interests

Individual testing is shown by table coefficients. Research hypothesis to be tested is formulated as follows:
Ho: Education does not contribute significantly to students of Binus University interest to become entrepreneurs.
Ha: Education contribute significantly to students of Binus University interest to become entrepreneurs.
It appears that the column Sig (significant) in Table coefficients are: sig. 0,003. Then the value of sig. 0.003 smaller than the probability value 0.05 (0.003<0.05), then Ho is rejected and Ha accepted, meaning that the path coefficient analysis was significant. So, education contribute significantly to students of Binus University interest to become entrepreneurs.

3.3.4. Education contribute significantly to the Entrepreneur Interests

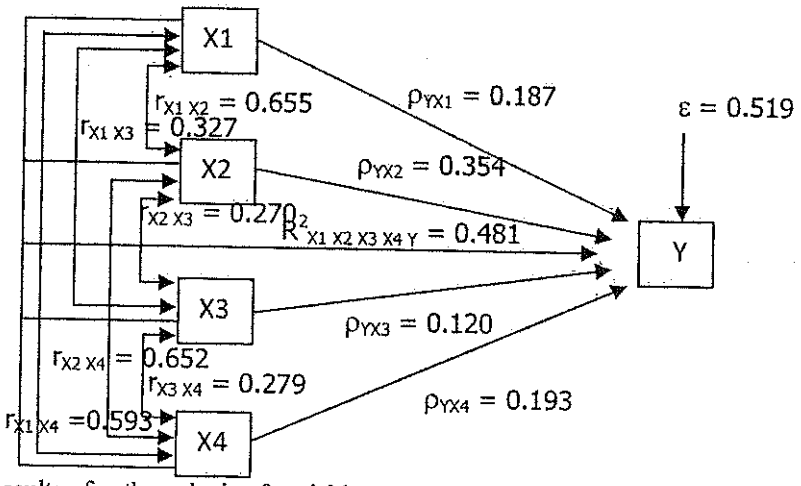
Individual testing is shown by table coefficients. Research hypothesis to be tested is formulated as follows:
Ho: Family does not contribute significantly to students of Binus University interest to become entrepreneurs.
Ha: Family contribute significantly to students of Binus University interest to become entrepreneurs.
It appears that the column Sig (significant) in Table coefficients are: sig. 0,000. Then the value of sig. 0.000 smaller than the probability value 0.05 (0.000 <0.05), then Ho is rejected and Ha accepted, meaning that the path coefficient analysis was significant. So, family contribute significantly to students of Binus University interest to become entrepreneurs.
Framework for empirical causal relationship between X1, X2, X3 and X4 to Y can be made through structural equation as follows.
Structure:

$$Y = \rho_{YX1} X_1 + \rho_{YX2} X_2 + \rho_{YX3} X_3 + \rho_{YX4} X_4 + \rho_Y \varepsilon$$

$$= 0.187\, X_1 + 0.354\, X_2 + 0.120\, X_3 + 0.193\, X_4 + 0.519\, \varepsilon$$

$$R^2_{X1\ X2\ X3\ X4\ Y} = 0.481$$

$$\rho_Y \varepsilon = 1 - R^2_{X1\ X2\ X3\ X4\ Y} = 1 - 0.481 = 0.519 = 51{,}9\%$$



Results of path analysis of variables - variables can be summarized as follows:

Table 3: Path Analysis of Variables

Variable	Path Coefficient	Effect		Simultaneous Effect ($R^2_{X1\,X2\,X3\,X4\,Y}$)
		Direct	Total	
X1	0,187	0,187	3,49%	-
X2	0,354	0,354	12,53%	-
X3	0,120	0,120	1,44%	-
X4	0,193	0,193	3,72%	-
	0.519	0.519	51,9%	-
X1, X2, X3 and X4	-	-	-	48,1%

Define abbreviations and acronyms the first time they are used in the text, even after they have already been defined in the abstract. Abbreviations such as IEEE, SI, MKS, CGS, ac, dc, and rms do not have to be defined. Abbreviations that incorporate periods should not have spaces: write "C.N.R.S.," not "C. N. R. S." Do not use abbreviations in the title unless they are unavoidable.

4. CONCLUSION

It can be concluded that :

1. Personality (X1) has a positive and significant contribution to the level of entrepreneur's interest (Y). The contribution of personality that directly affect the entrepreneur's interest is 0.1872 = 0.0349 or 3.49%.
2. Motivation (X2) has a positive and significant contribution to the level of entrepreneur's interest (Y). The contribution of motivation that directly affect the entrepreneur's interest is 0.3542 = 0.1253 or 12.53%.
3. Education (X3) has a positive and significant contribution to the level of entrepreneur's interest (Y). The contribution of education that directly affect the entrepreneur's interest is 0.1202 = 0.0144 or 1.44%.
4. Family (X4) has a positive and significant contribution to the level of entrepreneur's interest (Y). The contribution of family which directly affects the interest of the entrepreneur is 0.1932 = 0.0372 or 3.72%.
5. Personality (X1), motivation (X2), education (X3) and family (X4) simultaneously have positive and significant contribution to the entrepreneur's interest (Y). The contribution of personality, motivation, education and family simultaneously influence that directly affects the interest of entrepreneurs is 0481 or 48.1%.

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